



## *News Release*

**For Immediate Release:**

April 5, 2011

**Contact:**

Jennifer Malutta

Office of Councilmember Herrera

(408) 464-3345

Ragan Henninger

Office of Councilmember Liccardo

(408) 535-4903

### ***Twitter This – San José Has No Payroll Tax!***

**SAN JOSE, CA.** — Today, while San Francisco Supervisors are looking at options for payroll tax breaks that would keep tech companies like Twitter from leaving the city, the City of San José's doors are open, with no payroll tax, free parking, and easy permitting processes that cater to the business community.

With one of the worst economic downturns in the history of this nation, San Jose has made strategic decisions to support and facilitate corporate growth and cultivate the world's strongest concentration of innovative people and companies.

Meanwhile, San Francisco is one of the only cities in the nation that has a payroll tax. Additionally, San Francisco's Tax Code counts stock options as part of payroll, concerning many newer companies considering a public offering. This is a hit for employers and employees.

San José is committed to working at the speed of business with a variety of business assistance programs;

1. **Enterprise Zone:** Companies located in a 12 square-mile area in the heart of the city, qualify for a wide range of special tax credits, exemptions and deductions that can significantly reduce business-operating costs.
2. **Foreign Trade Zone:** If a company is located inside the zone, it delays, reduces or eliminates duty payments on foreign merchandise
3. **Business Cooperation Program:** The Business Cooperation Program provides businesses a rebate of up to 30% on the local portion of the State-collected Use Tax subsequently remitted to the City as a result of the business entering the State's Use Tax Direct Pay Permit program or allocating Use Tax attributed to acquisition of construction materials in San José.
4. **Incubators:** San José nurtures innovation by sponsoring the largest incubator program in the nation.

5. **Permitting Assistance:** Dedicated review teams, assembled from key City departments, address all development review issues in a single, expedited review meeting. This saves companies thousands of dollars in multiple and often duplicative meetings.
6. **San Jose Airport:** The nation's most modern airport is located in San Jose. With few fog delays, it is the airport of choice for businesses because it offers convenient travel with both general aviation and commercial air service.

San Jose is consistently ranked as the world's leading innovation center. *Forbes* Magazine recognized it as "America's Most Innovative City" and the Milken Institute said it is the "Pre-eminent High-tech Cluster in the World." The San José area is home to the largest concentration of technology expertise in the world--more than 6,600 technology companies employing more than 254,000 people.

Through comprehensive facilitation services, forward-thinking policies, and creative incentives, San Jose is creating an environment in which both established and emerging companies will be able to flourish.

For more information about San José's business incentives, click here:  
<http://www.sjeconomy.com/grow/businessassistance.asp>

###